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APPLICATION NO.	FILING DATE	FIRST NAMED INVENTOR	ATTORNEY DOCKET NO.	CONFIRMATION NO.
09/892,615	06/28/2001	Brian M. Hillier	9-16085-1US	4904
20988	7590	01/10/2008	EXAMINER	
OGILVY RENAULT LLP			BOVEJA, NAMRATA	
1981 MCGILL COLLEGE AVENUE				
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Please find below and/or attached an Office communication concerning this application or proceeding.

The time period for reply, if any, is set in the attached communication.

Office Action Summary	Application No.	Applicant(s)
	09/892,615	HILLIER ET AL.
	Examiner	Art Unit
	Namrata Boveja	'3622

-- The MAILING DATE of this communication appears on the cover sheet with the correspondence address --
Period for Reply

A SHORTENED STATUTORY PERIOD FOR REPLY IS SET TO EXPIRE 3 MONTH(S) OR THIRTY (30) DAYS, WHICHEVER IS LONGER, FROM THE MAILING DATE OF THIS COMMUNICATION.

- Extensions of time may be available under the provisions of 37 CFR 1.136(a). In no event, however, may a reply be timely filed after SIX (6) MONTHS from the mailing date of this communication.
- If NO period for reply is specified above, the maximum statutory period will apply and will expire SIX (6) MONTHS from the mailing date of this communication.
- Failure to reply within the set or extended period for reply will, by statute, cause the application to become ABANDONED (35 U.S.C. § 133). Any reply received by the Office later than three months after the mailing date of this communication, even if timely filed, may reduce any earned patent term adjustment. See 37 CFR 1.704(b).

Status

1) Responsive to communication(s) filed on 17 October 2007.
 2a) This action is FINAL. 2b) This action is non-final.
 3) Since this application is in condition for allowance except for formal matters, prosecution as to the merits is closed in accordance with the practice under *Ex parte Quayle*, 1935 C.D. 11, 453 O.G. 213.

Disposition of Claims

4) Claim(s) 1-16 is/are pending in the application.
 4a) Of the above claim(s) 6 is/are withdrawn from consideration.
 5) Claim(s) _____ is/are allowed.
 6) Claim(s) 1-5 and 7-16 is/are rejected.
 7) Claim(s) _____ is/are objected to.
 8) Claim(s) _____ are subject to restriction and/or election requirement.

Application Papers

9) The specification is objected to by the Examiner.
 10) The drawing(s) filed on 06/28/01 is/are: a) accepted or b) objected to by the Examiner.
 Applicant may not request that any objection to the drawing(s) be held in abeyance. See 37 CFR 1.85(a).
 Replacement drawing sheet(s) including the correction is required if the drawing(s) is objected to. See 37 CFR 1.121(d).
 11) The oath or declaration is objected to by the Examiner. Note the attached Office Action or form PTO-152.

Priority under 35 U.S.C. § 119

12) Acknowledgment is made of a claim for foreign priority under 35 U.S.C. § 119(a)-(d) or (f).
 a) All b) Some * c) None of:
 1. Certified copies of the priority documents have been received.
 2. Certified copies of the priority documents have been received in Application No. _____.
 3. Copies of the certified copies of the priority documents have been received in this National Stage application from the International Bureau (PCT Rule 17.2(a)).

* See the attached detailed Office action for a list of the certified copies not received.

Attachment(s)

1) <input checked="" type="checkbox"/> Notice of References Cited (PTO-892)	4) <input type="checkbox"/> Interview Summary (PTO-413)
2) <input type="checkbox"/> Notice of Draftsperson's Patent Drawing Review (PTO-948)	Paper No(s)/Mail Date. _____
3) <input type="checkbox"/> Information Disclosure Statement(s) (PTO/SB/08)	5) <input type="checkbox"/> Notice of Informal Patent Application
Paper No(s)/Mail Date _____	6) <input type="checkbox"/> Other: _____

DETAILED ACTION

1. This office action is in response to communication filed on 10/17/2007.
2. Claim 6 has been cancelled. Claims 1-5 and 7-16 are presented for examination.
3. Amendments to claims 1 and 13 have been entered and considered.

Claim Rejections - 35 USC § 103

The following is a quotation of 35 U.S.C. 103(a) which forms the basis for all obviousness rejections set forth in this Office action:

(a) A patent may not be obtained though the invention is not identically disclosed or described as set forth in section 102 of this title, if the differences between the subject matter sought to be patented and the prior art are such that the subject matter as a whole would have been obvious at the time the invention was made to a person having ordinary skill in the art to which said subject matter pertains. Patentability shall not be negated by the manner in which the invention was made.

4. Claims 1-5, and 7-16 are rejected under U.S.C. 103(a) as being unpatentable over Kalina (Patent Number 5,970,480 hereinafter Kalina) in view of Abecassis (Publication Number US 2001/0041053 A1 hereinafter Abecassis) and further in view of Ikeda et al. (Patent Number 5,937,391 hereinafter Ikeda).

In reference to claim 1, Kalina teaches an electronic purchasing method using redeemable points, comprising the steps of: providing a customer card having user information program thereon (col. 2 lines 13-18 and col. 4 lines 5-19); providing a customer card reader for a merchant at a point of purchase for reading said user information (col. 4 lines 5-19), said reader being networked with a plurality of readers (col. 4 lines 21-37); providing a central register having user information stored therein and connected to said network for access of said information (col. 4 lines 32-37 and col. 4 lines 59-col. 5 lines 5); providing bank information of said merchant accessible by

information transmitted from said central register (col. 4 lines 32 to col. 5 lines 13 and Figure 1-1); purchasing a good or service (col. 4 lines 62 to col. 5 lines 2); crediting or debiting a user with non-cash redeemable points (col. 4 lines 5-31 and col. 4 lines 59 to col. 5 lines 13); forwarding debit or credit information to said central register through said reader (col. 4 lines 16-20 and 59-62); and simultaneously debiting a merchant in cash a predetermined percentage of the taxed value of said purchase (i.e. a fee) (col. 4 lines 37-50).

Kalina does not teach the purchase of a good or service by a said user and the user using said some type of credit for payment for purchase of said good or service entirely or in combination with cash. Abecassis teaches the purchase of a good or service by a said user and the user using said credit for payment for purchase of said good or service entirely or in combination with cash (abstract, page 3 paragraph 36, page 20 paragraph 309, page 25 paragraphs 386-388, and page 26 paragraph 411). It would have been obvious to a person of ordinary skill in the art at the time of the applicant's invention to modify Kalina to include enabling the user to purchase a good or service and use his credit to partially or fully pay for his transaction in order to give the user the option of utilizing his stored credit for purchasing a good or service other than just an investment vehicle and enable the user to apply his credit instantly at the time of purchase of the good or service.

A claimed invention is unpatentable if the differences between it and the prior art are "such that the subject matter as a whole would have been obvious at the time the invention was made to a person having ordinary skill in the art." 2235 U.S.C. § 103(a)

(2000); *KSR Int'l v. Teleflex Inc.*, 127 S.Ct. 1727, 1734 (2007); *23Graham v. John Deere Co.*, 383 U.S. 1, 13-14 (1966).

In Graham, the Court held that that the obviousness analysis is bottomed on several basic factual inquiries: "[(1)] the scope and content of the prior art are to be determined; [(2)] differences between the prior art and the claims at issue are to be ascertained; and [(3)] the level of ordinary skill in the pertinent art resolved." 383 U.S. at 17. See also *KSR*, 127 S.Ct. at 1734. *"The combination of familiar elements according to known methods is likely to be obvious when it does no more than yield predictable results."* *KSR*, at 1739.

"When a work is available in one field of endeavor, design incentives and other market forces can prompt variations of it, either in the same field or in a different one. If a person of ordinary skill in the art can implement a predictable variation, § 103 likely bars its patentability." *Id.* at 1740.

*In this case, market forces such as user's desire to use accumulated points for a variety of products rather than just the purchase of an investment vehicle in Kalina can prompt variation in the redemption of points for subsidizing costs of video services as provided in *Abecassis*. And, a person of ordinary skill in the art can implement a predictable variation of allowing the user to redeem points for more than one good or service, since the means for achieving this result would be the same but would simply involve the inclusion of another merchant's products or services as potential rewards available to the user for the redemption of his points.*

Kalina also does not teach providing access of said central register by said merchant, for retrieval and manipulation in real time of stored information related to customer statistics and performance information related to merchant offerings by said merchant. Ikeda teaches providing access of said central register by said merchant, for retrieval and manipulation in real time of stored information related to customer statistics and performance information related to merchant offerings by said merchant. Ikeda teaches providing access of said central register by said merchant, for retrieval and manipulation in real time of stored information related to customer statistics (i.e. how much the customer purchases) and performance information related to merchant offerings by said merchant (i.e. how long the merchant wants to advertise an item on sale to increase the sales of that item or if the merchant wants to exceed points being offered by other merchants). Ikeda teaches providing access of said central register by said merchant, for retrieval and manipulation in real time of stored information related to customer statistics (col. 2 lines 29-38, col. 8 lines 1-23, col. 11 lines 50-53, and Figures 8-10, 18, and 19) and performance information related to merchant offerings by said merchant (col. 2 lines 29-38, col. 8 lines 1-23, col. 11 lines 50-53, and Figures 8-10, 18, and 19). It would have been obvious to a person of ordinary skill in the art at the time of the applicant's invention to modify Kalina to include providing access of said central register by said merchant, for retrieval and manipulation in real time of stored information related to customer statistics (i.e. how much the customer purchases) and performance information related to merchant offerings by said merchant (i.e. how long the merchant wants to advertise an item on sale to increase the sales of that item or if

the merchant wants to exceed points being offered by other merchants) to enable the merchant to have flexibility in modifying the duration of the points promotion and the quantity of points that are awarded to the users as desired by the merchant.

5. In reference to claim 2, Kalina teaches the electronic purchasing method, further including the step of entering a password (i.e. pin) at said reader of allowing a user to access users information (col. 3 lines 44-46 and col. 4 lines 16-17).
6. In reference to claim 3, Kalina teaches the electronic purchasing method further including the step of storing credit and debit information of said user in said central register (col. 4 lines 21-31, col. 4 lines 59 to col. 5 lines 13).
7. In reference to claim 4, Kalina teaches the electronic purchasing method, further including the step of determining the currency of a transaction (i.e. a credit award to cash conversion value) (col. 4 lines 67 to col. 5 lines 15).
8. In reference to claim 5, Kalina teaches the electronic purchasing method, further including the step of printing a receipt (i.e. a periodic statement) of a transaction (col. 5 lines 5-13).
9. In reference to claim 7, Kalina teaches the electronic purchasing method further including the step of providing a customer with an option to purchase a good or service with cash or accrued points (i.e. customer always has an option to purchase an investment vehicle with cash without the use of accrued points and customer has to sign off an a directive to purchase the investment vehicle with credits) (col. 4 lines 51 to col. 5 lines 2).
10. In reference to claim 8, Kalina teaches the electronic purchasing method,

wherein said accrued points are exhausted in entirety for purchasing a good or service (i.e. when the award points reach a preassigned level, they are converted to a cash value used to purchase investment vehicles) (col. 4 lines 59 to col. 5 lines 2).

11. In reference to claim 9, Kalina teaches the electronic purchasing method, wherein said method occurs in real time (col. 4 lines 16 to col. 5 lines 5).
12. In reference to claim 10, Kalina teaches the electronic purchasing method, wherein accrued points are immediately available from said central register for use by said customer subsequent to a purchase (col. 4 lines 16-31).
13. In reference to claim 11, Kalina teaches the electronic purchasing method, wherein said central register comprises a database (i.e. user data is stored and matched in memory) (col. 3 lines 50-56 and col. 4 lines 21-31).
14. In reference to claim 12, Kalina teaches the electronic purchasing method, wherein said network comprises the internet (i.e. information is exchanged between networked computer systems of the merchant and the bank) (col. 4 lines 16-37).
15. In reference to claim 13, Kalina teaches an electronic purchasing method using redeemable points, comprising the steps of: providing a customer card having user information program thereon (col. 2 lines 13-18 and col. 4 lines 5-19); providing a merchant at a point of purchase with means for conveying said user information over a network to a central register (col. 4 lines 5-19); providing a central register having user information stored therein and connected to said network for access of said information (col. 4 lines 32-37 and col. 4 lines 59-col. 5 lines 5); providing bank information of said merchant accessible by information transmitted from said central register (col. 4 lines 32

to col. 5 lines 13 and Figure 1-1); purchasing a good or service (col. 4 lines 62 to col. 5 lines 2); crediting or debiting a user with non-cash redeemable points (col. 4 lines 5-31 and col. 4 lines 59 to col. 5 lines 13); forwarding debit or credit information to said central register through said means for conveying said user information (col. 4 lines 16-20 and 59-62); simultaneously debiting a merchant in cash a predetermined percentage of the taxed value of said purchase (i.e. a fee) (col. 4 lines 37-50); and simultaneously crediting a customer with a predetermined amount of said non-cash redeemable points (col. 4 lines 21-31).

Kalina does not teach the purchase of a good or service by a said user and the user using said some type of credit for payment for purchase of said good or service entirely or in combination with cash. Abecassis teaches the purchase of a good or service by a said user and the user using said credit for payment for purchase of said good or service entirely or in combination with cash (abstract, page 3 paragraph 36, page 20 paragraph 309, page 25 paragraphs 386-388, and page 26 paragraph 411). It would have been obvious to a person of ordinary skill in the art at the time of the applicant's invention to modify Kalina to include enabling the user to purchase a good or service and use his credit to partially or fully pay for his transaction in order to give the user the option of utilizing his stored credit for purchasing a good or service other than just an investment vehicle and enable the user to apply his credit instantly at the time of purchase of the good or service.

A claimed invention is unpatentable if the differences between it and the prior art are "such that the subject matter as a whole would have been obvious at the time the

invention was made to a person having ordinary skill in the art." 2235 U.S.C. § 103(a) (2000); KSR Int'l v. Teleflex Inc., 127 S.Ct. 1727, 1734 (2007); 23Graham v. John Deere Co., 383 U.S. 1, 13-14 (1966).

In Graham, the Court held that that the obviousness analysis is bottomed on several basic factual inquiries: "[(1)] the scope and content of the prior art are to be determined; [(2)] differences between the prior art and the claims at issue are to be ascertained; and [(3)] the level of ordinary skill in the pertinent art resolved." 383 U.S. at 17. See also KSR, 127 S.Ct. at 1734. "The combination of familiar elements according to known methods is likely to be obvious when it does no more than yield predictable results." KSR, at 1739.

"When a work is available in one field of endeavor, design incentives and other market forces can prompt variations of it, either in the same field or in a different one. If a person of ordinary skill in the art can implement a predictable variation, § 103 likely bars its patentability." Id. at 1740.

In this case, market forces such as user's desire to use accumulated points for a variety of products rather than just the purchase of an investment vehicle in Kalina can prompt variation in the redemption of points for subsidizing costs of video services as provided in Abecassis. And, a person of ordinary skill in the art can implement a predictable variation of allowing the user to redeem points for more than one good or service, since the means for achieving this result would be the same but would simply involve the inclusion of another merchant's products or services as potential rewards available to the user for the redemption of his points.

Kalina also does not teach providing access of said central register by said merchant, for retrieval and manipulation in real time of stored information related to customer statistics and performance information related to merchant offerings by said merchant. Ikeda teaches providing access of said central register by said merchant, for retrieval and manipulation in real time of stored information related to customer statistics and performance information related to merchant offerings by said merchant. Ikeda teaches providing access of said central register by said merchant, for retrieval and manipulation in real time of stored information related to customer statistics (i.e. how much the customer purchases) and performance information related to merchant offerings by said merchant (i.e. how long the merchant wants to advertise an item on sale to increase the sales of that item or if the merchant wants to exceed points being offered by other merchants). Ikeda teaches providing access of said central register by said merchant, for retrieval and manipulation in real time of stored information related to customer statistics (col. 2 lines 29-38, col. 8 lines 1-23, col. 11 lines 50-53, and Figures 8-10, 18, and 19) and performance information related to merchant offerings by said merchant (col. 2 lines 29-38, col. 8 lines 1-23, col. 11 lines 50-53, and Figures 8-10, 18, and 19). It would have been obvious to a person of ordinary skill in the art at the time of the applicant's invention to modify Kalina to include providing access of said central register by said merchant, for retrieval and manipulation in real time of stored information related to customer statistics (i.e. how much the customer purchases) and performance information related to merchant offerings by said merchant (i.e. how long the merchant wants to advertise an item on sale to increase the sales of that item or if

the merchant wants to exceed points being offered by other merchants) to enable the merchant to have flexibility in modifying the duration of the points promotion and the quantity of points that are awarded to the users as desired by the merchant.

16. In reference to claim 14, Kalina teaches the electronic purchasing method, wherein said non-cash redeemable points are immediately available for use by a customer for purchase of a good or service.

17. In reference to claim 15, Kalina teaches the electronic purchasing method, further including the step of providing a customer with an option to purchase said good or service with cash or said non-cash redeemable points (col. 4 lines 16-31).

18. In reference to claim 16, Kalina teaches the electronic purchasing method, wherein said method occurs on the internet in real time (col. 4 lines 16 to col. 5 lines 5).

Response to Arguments

19. After careful review of Applicant's remarks/arguments filed on 10/17/2007, the Applicant's arguments with respect to claims 1-5 and 7-16 are presented for examination and have been fully considered but are moot in view of the new ground(s) of rejection. Amendments to the claims have both been entered and considered.

20. Applicant argues that the Kalina reference is deficient in any teaching regarding the purchase of the good or service entirely or in combination with cash. Here, the Applicant is making arguments against the references individually. As addressed above, Abecassis teaches this limitation that the purchase of a good or service by a said user and the user using said credit for payment for purchase of said good or service entirely or in combination with cash (abstract, page 3 paragraph 36, page 20

paragraph 309, page 25 paragraphs 386-388, and page 26 paragraph 411). The Examiner would like to point out to the Applicant that one cannot show nonobviousness by attacking references individually where the rejections are based on combinations of references (**Kalina and Abecassis**). See *In re Keller*, 642 F.2d 413, 208 USPQ 871 (CCPA 1981); *In re Merck & Co.*, 800 F.2d 1091, 231 USPQ 375 (Fed. Cir. 1986). It is the combination of these references that addresses the claim limitations, and therefore, each reference will not teach all the limitations on its own.

21. Applicant argues that the Kalina and the Abecassis references are unrelated to the technology claimed in the Application, since Abecassis focuses on video and not an electronic purchasing method and system involving a bank (i.e. like the Application and like Kalina). A claimed invention is unpatentable if the differences between it and the prior art are "such that the subject matter as a whole would have been obvious at the time the invention was made to a person having ordinary skill in the art." 2235 U.S.C. § 103(a) (2000); *KSR Int'l v. Teleflex Inc.*, 127 S.Ct. 1727, 1734 (2007); *Graham v. John Deere Co.*, 383 U.S. 1, 13-14 (1966).

In *Graham*, the Court held that that the obviousness analysis is bottomed on several basic factual inquiries: "[1] the scope and content of the prior art are to be determined; [2] differences between the prior art and the claims at issue are to be ascertained; and [3] the level of ordinary skill in the pertinent art resolved." 383 U.S. at 17. See also *KSR*, 127 S.Ct. at 1734. "The combination of familiar elements according to known methods is likely to be obvious when it does no more than yield predictable results." *KSR*, at 1739.

"When a work is available in one field of endeavor, design incentives and other market forces can prompt variations of it, either in the same field or in a different one. If a person of ordinary skill in the art can implement a predictable variation, § 103 likely bars its patentability." Id. at 1740. Therefore, Kalina and Abecassis do not have to reference to the same technology.

In this case, market forces such as user's desire to use accumulated points for a variety of products rather than just the purchase of an investment vehicle in Kalina can prompt variation in the redemption of points for subsidizing costs of video services as provided in Abecassis. And, a person of ordinary skill in the art can implement a predictable variation of allowing the user to redeem points for more than one good or service, since the means for achieving this result would be the same but would simply involve the inclusion of another merchant's products or services as potential rewards available to the user for the redemption of his points.

22. Applicant argues that Abecassis forces the users to select from its services instead of letting users use points or cash for products at other merchants. With respect to this, the Applicant is arguing a limitation which he has not claimed. Specifically, the claims recite that the said points are usable for purchase of said or service entirely or in combination with cash. So, there is no mention in the claim that the purchase has to be made at more than one merchant member. The claim also recites product or service, and Abecassis teaches sales of video services (i.e. videos) (abstract).

23. Applicants additional remarks are addressed to new limitations in the claims and have been addressed in the rejection necessitated by the amendments.

Conclusion

24. Applicant's amendment necessitated the new ground(s) of rejection presented in this Office action.

Any inquiry concerning this communication or earlier communications from the examiner should be directed to Namrata (Pinky) Boveja whose telephone number is 571-272-8105. The examiner can normally be reached on Mon-Fri, 8:30 am to 5:00 pm.

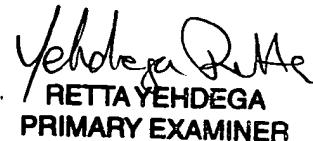
If attempts to reach the examiner by telephone are unsuccessful, the Examiner's supervisor, Eric Stamber can be reached on 571-272-6724. The FAX number for the organization where this application or proceeding is assigned is **571-273-8300**.

Information regarding the status of an application may be obtained from the Patent Application Information Retrieval (PAIR) system. Status information for published applications may be obtained from either Private PAIR or Public PAIR. Status information for unpublished applications is available through Private PAIR only. For more information about the PAIR system, see <http://pair-direct.uspto.gov>. Should you have questions on access to the Private PAIR system, contact the Electronic Business Center (EBC) at 1866-217-9197 (toll-free).



NB

January 4th, 2008



RETTA YEHDEGA
PRIMARY EXAMINER